GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5385
ANSWERED ON:22.12.2000
IRREGULARITIES IN BANKS
PRABHUNATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has received complaints relating to irregularitiesin the functioning of Board of Directors in the public and private sector banks during 1999-2000;

(b) if so, the details thereof; and

(c) the action taken against them?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH):

(a) Reserve Bank of India (RBI) has reported that complaints have been received relatingto the functioning of Board of Directors of Bank of Rajasthan Ltd. and Benaras State Bank Ltd. during 1999-2000.

(b) and (c) RBI had issued show cause notices on 29th September, 1999 to six directorswho were nominees of Bangur Group and subsequently two directors were removed and four directors were not re-elected. RBI also issued show cause notice to four directors of Benaras State Bank Limited on 20th October. 1999 and subsequently removed one directorand all other three directors have tendered their resignation with effect from 9th February, 2000.